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CENTRAL INTELLIGENCE AGENCY REPORT
INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS CD NO. []

COUNTRY China DATE OF INFORMATION 1951
SUBJECT Economic - Industry, construction inefficiency
HOW PUBLISHED Daily newspaper DATE DIST. 31 Oct 1951
WHERE PUBLISHED Peiping NO. OF PAGES 2
DATE PUBLISHED 2 Aug 1951 SUPPLEMENT TO REPORT NO.
LANGUAGE Chinese

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SCORES INADEQUATE PLANNING, CONSTRUCTION INEFFICIENCY, SERIOUS WASTE IN LIAOTUNG INDUSTRIAL PROJECTS

Waste and delay in Liaotung construction projects were the result of careless planning and blind competition. Many operations were behind schedule and much capital was tied up in unfinished projects. Work was often started on a project without adequate preliminary planning. During actual building operations, inspections were lax and construction work was of poor quality. Budgeting was faulty and accounts were inaccurate, often intentionally so. Waste of materials and manpower was common.

Provincially operated enterprises of Liaotung have completed their plans and disbursed capital in preparation for 1951 production. However, because of lack of experience, in devising the 1950 plans, the planners overlooked various details. Work was carried out in an overenthusiastic, subjective effort to develop individual factories or mines. For this reason the reconstruction work proceeded blindly and competitively with many defects and mistakes. Because of a desire to finish as soon as possible, too many projects were started simultaneously, with the result that many fell behind schedule and much capital was tied up.

Most of the 1950 basic reconstruction work was not finished on schedule. Work on the shafts of the Chiao-tzu-ku Soapstone Mine of Hai-k'uang was originally scheduled for completion in March, but the schedule was delayed when water flowed into the vertical shaft. By August, the water pumps had not been completely installed, and it was not until 28 November that pumping actually began. The T'ieh-lu-tzu Asbestos Mine was 3 months behind schedule. At the Ch'ing-kou-tzu Mine, the asbestos mining equipment was installed after a 2-month delay.

A large part of Liaotung basic reconstruction work was not undertaken in accordance with the sequence of the national plans. The asbestos mines at Wei-sha-ho, T'ung-yuan-p'u, and Huang-ti started operation without careful preliminary examination. Although the quality of asbestos, costs, and transportation details were all unknown, work was begun on a supply road. In the case of the Wei-sha-ho Mine, only 3 months elapsed between the preliminary assays

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and production. Then, because the raw asbestos was of irregular quality and quantity, it was necessary to shut down. T'ung-yuan-p'u and Huang-ti were also closed for the same reasons. When the Yen-t'ai Coal Mine opened new pits, there was no mineralogical survey, inspections were insufficient, and no old geological charts were available. As a result, after 6 months of operation, many broken veins were discovered in the Ta-yu Pit which were difficult to exploit and, by the end of the year, the pit was closed. Capital already invested exceeded 7 billion yuan.

In some cases, construction was started before production goals had been determined. Because of a decision to decrease coal production, the newly opened Tung-ch'i Pit was forced to close down after 7 months of construction work on the supply road. Even before determining what articles were to be produced, an asbestos plant of more than 3,500 square meters was constructed. After completion, there was still no decision on the machinery to be installed or articles to be produced.

The inspection was lax and the quality of construction was low. In the new asbestos plant, the roof tiles were put in place without plaster. The walls of the plant of the Ch'ing-kou-tzu Mine were not straight and the roof leaked. The walls of the mold unit of the machine shop required constant repair.

Deficiencies in the supervisory work of specialists from the construction company also account for some of the low-quality construction work and the loss from repeated repairs.

There were examples of poor budgeting and inaccurate accounting. Some plants and mines concealed certain expenses by reporting such items under basic construction expenses. The Mining Industry Company decided to construct a small building but feared that it would not fit into the proposed budget, so the cost of this building was entered under the basic construction estimate for a periclase pulverizing plant.

Large quantities of raw materials were wasted. Bricks for the construction of the Ch'ing-kou-tzu Mine, which could have been obtained locally, were shipped in from T'ung-hua. This careless planning resulted in wasting 220 million yuan. Work on the Hsi-san Mine was held up more than 20 days because finishing work had not been completed on the lumber materials.

Because of deficiencies in the bookkeeping systems and the logging of materials, there was much misuse of manpower, equipment, and supplies.

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